

Legal Assistance Resource Center

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Testimony before the Human Services Committee in Opposition to RB 6442 - An Act Concerning Work Activities Permitted in the Jobs First Employment Services Program

by Jane McNichol, Executive Director
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I am Jane McNichol, Executive Director of the Legal Assistance Resource Center of Connecticut, the advocacy and support center for legal services programs in the state. We represent the interests of very-low income residents of the state. LARCC also convenes the Welfare Working Group, a group of about 25 advocates on welfare issues. Since 1996, the Welfare Working Group has monitored the federal TANF program and the state's family welfare program and its impact on low-income families with children in the state.

I am here to oppose RB 6442, An Act Concerning Work Activities Permitted in the Jobs First Employment Services Program. The purpose of this bill is to change Connecticut statutes to permit the adoption of a mandatory "unsubsidized work experience or workfare program in the Jobs First/Temporary Family Assistance program.

Under this proposal, parents in the time-limited portion of the family welfare program (Jobs First/Temporary Family Assistance), those who are required to seek employment or undertake activities to gain the skills needed for employment, could be required to engage in unpaid work in order to maintain eligibility for cash assistance. This requirement to work for the value of assistance benefits has in the past been known as workfare in Connecticut.

It is a system which was rejected years ago in this state. The work experience made available through this sort of system generally does not provide a pathway to sustained employment. There is usually no training or education in such jobs and generally no opportunities for advancement.

This bill is being proposed to provide the state with what is expected to be a relatively inexpensive way to meet its federal TANF work participation rates. Last year, for the first time, Connecticut failed to meet its work participation rate and there was concern that we would be subject to federal sanctions if we did not develop a corrective action plan. There were indications from the Bush administration that to be approved, a corrective action plan would need to include an unsubsidized work experience program.

The situation has changed. Connecticut anticipates meeting its work participation rate in the coming year; there is a new administration in Washington; no one expects that the federal government will penalize the state financially for failure to meet work participation rates. **More importantly, there are better ways to increase work participation rates.**

Connecticut should consider not an unpaid work experience for JFES participants but a paid, subsidized work experience. There are a variety of ways to do this:

One is to provide a **“post-employment” benefit** - a supplemental payment to families which become ineligible for cash assistance because the parent is working but is earning only a very small amount of money. A supplemental benefit to working families would enable the state to include this working family in their federal caseload and count them as a family engaged in an appropriate work activity. Continuing support beyond the 21 to 33 months of assistance that families in the time-limited program now receive would help stabilize families as they move into the workforce.

A different version of this proposal would identify families currently receiving SNAP (food stamp) assistance in which the parents are meeting the TANF work requirements. By providing a **monthly income supplement to these families, either through a cash payment or through a state-funded increase in food assistance**, Connecticut could bring working families into its TANF caseload. This would help the state meet its work participation rate. This option might be less expensive to administer than a work experience program.

Perhaps more realistic in this job market is the **provision of subsidized work experience**, in which the state provides actual wages to a working parent. A parent can then combine wages with the TFA cash assistance benefit for a more reasonable income for the family.

The federal stimulus package makes these options are more financially feasible for the state. A new **TANF Emergency Contingency Fund** was established in the stimulus law. This fund will pay for 80% of a state's increased costs for **basic cash assistance**, non-recurrent one-time payments and **employment subsidies**, up to a total of 50% of the state's family assistance grant amount over a two year period.

There are undoubtedly details to be worked out in this new program, but the basic rules provide that the federal government will pay 80% of any increases in spending on employment subsidies and, if the state's TFA cash assistance caseload is higher than it was in the corresponding quarter of the previous year, 80% of increased spending on cash assistance. Our TFA caseload started to rise last fall so we can anticipate meeting this requirement.

I urge that you reject the proposed unsubsidized work experience program and instead take advantage of the new resources available from the federal government to fund programs which will support families in paid employment.

Thank you for your attention and for your work on this issue.